Created on 3/26/2004 10:29 AM

Memorandum

To: Gus

From: Donald

Date: 4/2/2004

Re: Brick Towers- An opportunity to participate in its preservation

In this paper I will outline what I hope will result in a relationship with the Newark Housing Authority of The City of Newark, in the restructuring and preservation of Brick Towers as a viable, human enhancing community asset.

Much is said and written about the significance of housing for the well being of Newark's citizens, for their standards of living, their long term economic resources, the feeling of security and stability and the importance of location as a determination of access to services and quality education. The high cost of housing and the uncertainty of repayments introduced by the deregulation, fluctuation of interest rates continue to be used as a reason for larger numbers of minority families and other households not being able to participate in the dream of homeownership. As we continue to witness the chronic shortage of decent, safe, affordable housing contributing to a wide range of socio-economic consequences, with many families and other households coming under extreme stress though housing to devote large proportions of their income to shelter. These issues are of considerable potential importance for the families of Brick Towers, the Housing Authority of The City of Newark and society.

Over the last five years, the predominant view of the relationship between the families of Brick Towers and the regulatory authorities have resulted in an elevated level of distrust. As a developer who continues to demonstrate the ability to use supply side responses to increase the availability of decent, safe, affordable and resident enhancing lower, moderate and conventional housing or quality home purchase opportunities, we hereby offer the following strategies of which one or more may facilitate the elimination the impediments that have blocked coherent interactions.

Each of the following are not only plausible but have been successful in responding to the restructuring and the preservation of affordable housing assets, such as Brick Towers. In order of the most desirable we list the following:

1. The sale of the 324 dwellings and their related land, easements, common areas, equipment, road beds and parking areas including all other items that are deeded. As well as the transfer of all vouchers, be they, project based or tenant based assistance.

2. Sale/Lease Back Transaction. This involves the Authority selling its interest in the real estate now held or hereafter held by the Authority. This sale would occur in any manner prescribed by HUD Regulations that addresses the disposition of surplus multi-family housing.

As part of the Transaction, The Authority, in conjunction with SP-Vogue would develop and implement a Preservation and Restoration program as a result of a "comprehensive physical needs assessment." This "Comprehensive Preservation and Restoration Program" would be guided by a commitment to invest no less than $30,000,000.00 in the development. This investment would include the $12,800,000.00 allocated by HUD to the current Brick Towers transaction.

3. Upon Completion- Upon completion of the Preservation and Restoration phase of the "Sale/Lease Back" Transaction, SP-Vogue would fully use HUD's Section 3 Program as well as many version of the Micro-Enterprise enactments to develop and grow "Human Capital Development, skills enhancements and wealth building, as the resident and surrounding community levels.

4. The Authority would lease the comprehensively less restored development- For the life of the mortgage sees, restriction would cause.

5. The transformed built environment to be renamed after Althea Gibson- The Althea Gibson Foundation would operate and manage for a "fee for service", comprehensive resident development program at "The Estates at Althea's Towers". Using an allocation of Housing Choice Vouchers, the occupants would be governed by a condominium form of ownership. This plan would move all residents to a level of maximum self-sufficient without The Housing Authority of the City of Newark having to invest one penny of its limited financial resources. At any level of this transaction, the residents will accumulate resources and build capital.

The legislative facilitators are in place. The proposed transactions are incompliance with:

- ✓ The United States Housing Act of 1937;
- ✓ The Housing Act of 1968;
- ✓ The Housing and Community Development Act of 1974;
- ✓ The Quality Housing and Work Responsibility Act of 1998;
- ✓ The Welfare Reform Act;
- ✓ The Family Self-Sufficiency Programs of HUD; and
- ✓ The Homeownership and Opportunity for People Everywhere ("HOPE").

As the golden age of public housing continues to vanish, we have the opportunity to take a far more expansive view in which Newark's socially and economically disenfranchised citizens are housed. The 1949 Housing Act, contained a teleology "a decent home and a suitable living environment for every American family" that continues to be restates in almost every federal housing statute since that time. Today, we find not only are we blessed with the opportunity to preserve an asset but at the same time teach young people about a great American, Althea Gibson, while moving Newark families to a new level of self-sufficiency.